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No. 82-1317

IN THE

Supreme Court of the United States

October Term, 1982

J. KAUFMAN IRON WORKS, INC.,
and WINDOR SECURITY SYSTEMS, INC.,

Petitioners,

CECIL SHACKELTON, CARLOS M. QUINONES,
VIVIAN M. WILLIAMS, RICHARD H. WILLIAMS, JR.,
ALFRED C. WILLIAMS and RAYMOND A. WILLIAMS,

Respondents.

BRIEF OF RESPONDENTS IN OPPOSITION
TO PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

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-v-

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BRIEF OF RESPONDENTS IN OPPOSITION
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Introduction

Respondents, Cecil Shackelton, Carlos
M. Quinones, Vivian M. Williams,*

*Mrs. Williams is now deceased.

Richard H. Williams, Jr., Alfred C. Williams and Raymond A. Williams, respectively submit this brief in opposition to the Petition For Writ of Certiorari to the United States Court of Appeals For The Second Circuit filed by petitioners J. Kaufman Iron Works, Inc. and Windor Security Systems, Inc.

The petition should be denied since the decision of the Court of Appeals is manifestly correct. Equally important, this case does not warrant review by this Court. The Court of Appeals for the Second Circuit followed acceptable standards of review in rendering its decision and did not violate the standards of this Court for assessing the question of patentability. To paraphrase Rule 17 of this Court, the decision of the Court of Appeals was not in conflict with the decision of another federal court of appeals on the same

matter nor did the decision depart from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's power of supervision. Furthermore, again paraphrasing Rule 17, the decision below was in no way in conflict with the applicable decisions of this Court.

In short, the Petition fails to show that there are any "special and important reasons" for reviewing this matter on a Writ of Certiorari, within the meaning of Rule 17.

STATEMENT OF THE CASE

This is an action calling into question the validity of U.S. Patent No. 3,506,056, which was issued by the United States Patent and Trademark Office on April 14, 1970. The invention is directed to a "burglar proof window grill". The invention is in the form of a slideable gate or grill mechanism

which is installed in apartments and other similar residences, in order to prevent entry into the apartments by burglars or other unauthorized persons and yet to permit the occupant of the residence to escape in a reliable manner in the event of a fire or other emergency in the building (Appendix, A2-A3).

The trial on the merits was held before the District Court in March, 1981. The record was composed primarily of stipulations, exhibits and the "testimony" of "hypothetical expert witnesses" submitted by both sides. Only two witnesses testified: Respondent Shackelton for plaintiff and defendants' vice-president, David Kaufman, for petitioners. (Appendix, A7).

When the testimony was concluded, the District Court delivered its opinion orally from the bench, holding claim 1 of the patent invalid for obviousness

under 35 U.S.C. §103. (Appendix, A20-A50). A judgment in accordance with the Court's opinion was entered on March 30, 1981 (Appendix, A18-A19).*

In a well-reasoned and lucid opinion, the Court of Appeals for the Second Circuit reversed on the issue of validity and remanded to the District Court to consider the issue of infringement. The Court of Appeals opinion is reported at 689 F.2d 334.** Petitioners' request for reconsideration and/or en banc rehearing was also denied. (Appendix, A51-A52).

*Petitioners' Table of Contents indicates that the opinion of the District Court and the judgment were dated, respectively, March 23, 1982 and March 30, 1982 (Petition, vi). In fact, both the opinion and the judgment were rendered in 1981, not 1982.

**The Court of Appeals affirmed the District Court on the "failure of consideration" issue (see Appendix, A16-A17). That issue is not presented to this Court in the Petition.

REASONS FOR DENYING THE WRIT

The Court Of Appeals Applied The
Correct Standard Of Review

In its "Questions Presented For Review" (Petition, i-iv), petitioners assert that the issuance of a writ is appropriate since the Second Circuit Court of Appeals has "continue[d] to arrogate" fact finding functions in violation of this Court's decision in Inwood Laboratories, Inc. v. Ives Laboratories, Inc., _____ U.S. _____, 102 S.Ct. 2182 (1982). (Petition, i). Closely related to this first question is petitioners' second question, wherein they fault the Second Circuit for "devot[ing] judicial time and energy" in connection with its decision. (Petition, ii). In presenting these questions, petitioners fail to appreciate the function of an Appellate Court and misapply the decision in Inwood and

related cases.

Initially, it is noted that whether or not the Court of Appeals applied the correct standard of review is hardly an issue which would warrant granting of the writ. Inwood Laboratories, Inc. v. Ives Laboratories, Inc., 102 S.Ct. at 2191 (White, J. concurring) ("...if the issue presented in the petition for certiorari had been whether the clearly erroneous standard, although properly invoked, was erroneously applied, it is doubtful in my mind that this fact-bound issue would have warranted certiorari").

In any case, the wrong standard of review was not applied. The question of patentability is a legal question, Great A. & P. Tea Co. v. Supermarket Equipment Corp., 340 U.S. 147, 155 (1950), or at the very least a mixed question of fact and law, Sakraida v. Ag Pro, Inc., 425 U.S. 273, 280 (1976).

As this Court stated in Graham v. John Deere Co., 383 U.S. 1, 17 (1966):

While the ultimate question of patent validity is one of law, Great A. & P. Tea Co. v. Supermarket Equipment Corp., supra, 340 U.S. at 155, 71 S.Ct. at 131, the §103 condition, which is but one of three conditions, each of which must be satisfied, lends itself to several basic factual inquiries.

The Court of Appeals in its decision below clearly recognized this. (Appendix, A9).

Accordingly, the Court of Appeals was not bound by the "clearly erroneous" standard of Rule 52, F.R.C.P., Pullman-Standard v. Swint, ____ U.S. ____, 102 S.Ct. 1781 (1982). As stated in the Pullman case, 102 S.Ct. at 1789:

Rule 52 broadly requires that findings of fact not be set aside unless clearly erroneous.

* * *

The rule does not apply to conclusions of law. The Court of Appeals, therefore, was quite right in saying that if a

District Court's findings rest on an erroneous view of the law, they may be set aside on that basis.

This Court has also held, on numerous occasions, that conclusions on mixed questions of law and fact are independently reviewable by an appellate court. See Pullman-Standard v. Swint, supra, 102 S.Ct. at 1790 n. 19 and cases cited therein. Cf. Inwood Laboratories, Inc. v. Ives Laboratories, Inc., supra, 102 S.Ct. at 2189 n. 15.

Petitioners' reliance, therefore, on the Inwood Laboratories case is totally misplaced since, on the question of patentability -- a question of law or, at the very least, a mixed question of fact and law -- the Rule 52 standard is not necessary. In the words of Pullman, the issue of obviousness was "...independently reviewable by an appellate court", 102 S.Ct. at 1790 n. 19.

Nor did the Court of Appeals violate the "clearly erroneous" standard of Rule 52, assuming arguendo that that standard for review applied. The rationale for Rule 52 rests upon "...the unique opportunity afforded the trial court judge to evaluate the credibility of witnesses and to weigh the evidence". Inwood Laboratories, Inc. v. Ives Laboratories, Inc., supra, 102 S.Ct. at 2189.

In the present case, most of the record was composed of stipulated testimony and exhibits. Under these circumstances, the Court of Appeals was well aware of and correctly delineated its scope of review. It stated (Appendix, A7-A8):

An initial matter is the scope of our review. This, in turn, hinges upon the nature of the evidence admitted by the district court. Here, aside from the testimony of only two witnesses, plaintiff Shackelton and the defendant's vice-president, David Kaufman, the record is

composed of stipulations, exhibits, and the "testimony" of "hypothetical expert witnesses" submitted by both sides. This type of record is as easily examined by this court as by the court below. Though the district court's factfinding will not ordinarily be disturbed absent clear error, here, the record consists of very little testimonial evidence, and so our review of the facts is broadened. Philip v. Mayer, Rothkopf Industries, Inc., 635 F.2d 1056, 1061 (2d Cir. 1980); Eutectic Corp. v. Metco, Inc., 579 F.2d 1, 5 (2d Cir.), cert. denied, 439 U.S. 867 (1978); U.S. Philips Corp. v. National Micronetrics, Inc., 550 F.2d 716, 719 (2d Cir.), cert. denied, 434 U.S. 859 (1977); MacLaren v. B-I-W Group Inc., 535 F.2d 1367, 1371 (2d Cir.), cert. denied, 429 U.S. 1001 (1976). Moreover, the district court's rather cursory discussion of the prior art leaves us largely to guess at the process of inference that led to its findings. Accordingly, our deference to those findings is further diminished. See Russo v. Central School District No. 1, 469 F.2d 623, 628-30 (2d Cir. 1972), cert. denied, 411 U.S. 932 (1973); see also, Shaw v. E.B. & C. Whiting Co., 417 F.2d 1097, 1104-05 (2d Cir. 1969), cert. denied, 397 U.S. 1076 (1970).

[Footnote Omitted.]

Since the correct legal standard of review was applied, petitioners have failed to adequately support the first "Question" alleged in their Petition for Certiorari.

Nor are they on any firmer ground in their second "Question" where petitioners, in an inexplicable fashion and without any citation, seem to fault the Court of Appeals for "devot[ing] judicial time and energy" in rendering its decision. (Petition, ii). It is indeed incredible that petitioners would fault the Court of Appeals for doing a conscientious job in reviewing the decision of the District Court and in rendering its own opinion. What would petitioners have the Appellate Court do? Would it have the Appellate Court relinquish its appellate function by merely "rubber-stamping" the decisions it is called upon to review? Such a result would

emasculate the appellate function; the second "Question" presented by petitioners hardly warrants the granting of a Petition for Certiorari.

The Second Circuit Did Not
Misapply Accepted Principles
Of Patent Law; Nor Did It Make
Any "Assessment" Of The Parties'
Personalities

The Court of Appeals scrupulously followed the proper guidelines, including the landmark decision of Graham v. John Deere, supra, in determining that respondents' patent was not obvious under §103 of the Patent Statute.*

The Appellate Court prefaced its analysis by noting, as the Trial Court

*It is startling for petitioners to contend that the Appellate Court failed to follow the principles of law enunciated in such decisions as Graham v. John Deere Co., supra, and Sakraida v. Ag Pro Inc. Indeed, the Court of Appeals opened its analysis on the question of "obviousness" under 35 U.S.C. §103 with specific reference to the Graham and Sakraida decisions. (Appendix, A9).

had, the overwhelming need which the invention of respondents' patent met -- a need which went unanswered until respondents' patent appeared on the scene and petitioners starting manufacturing gates under license from respondents. The Appellate Court stated (Appendix, A3-A4):

For some years prior to the issuance of the patent there had been a problem about security gates placed in buildings, particularly inside of doors and windows opening onto fire escapes. In view of the ever-increasing burglaries in New York City and other metropolitan areas, there was an increasing use of security gates, including gates located in doorways and windows opening onto fire escapes. It appears that most of these gates were locked with padlocks. These padlocked gates were apparently reasonably satisfactory in keeping out burglars, but they had a great disadvantage in hindering the egress of building occupants at times of emergency, particularly during fires. The record shows vividly that these padlocked gates were responsible for the deaths of many persons because in the panic and confu-

sion attending a fire, the padlocks could not be opened, or the key would be lost, or some other problem would arise which made these padlocked gates barriers to the exit from the fire-stricken structure.

The Second Circuit continued by recognizing that New York had responded to this "grim problem" by prohibiting the use of padlocked security gates; that New York City officials sought to stimulate solutions to this problem; and that the three inventors of the patent in suit, in 1967, developed a gate which protected the occupants of a building from burglars or other entry, while at the same time allowing the occupants safe and efficient egress in emergency situations. Indeed, the Appellate Court noted that the New York Multiple Dwelling Law was amended so as to allow respondents' gate to be installed in New York City. (Appendix, A4-A5). Finally, the decision notes that respondents

approached petitioners "who had been working on their own design", and the petitioners were so impressed with the gate that respondents had invented that petitioners "...abandoned their own efforts to design a new gate and entered into an exclusive licensing agreement with [respondents]". (Appendix, A5).

The Appeals Court considered the O'Connor, Baker, Griffith and Hagee patents relied upon by the District Court and found them lacking. The Court found the O'Connor and Baker devices to function differently from the patented window grill (Appendix, A11), found the function of the Griffith patent to be similarly different (Appendix, A12), and found the Hagee patent also to be irrelevant (Appendix, A12). The Appeals Court concluded (Appendix, A12):

It is by employing these devices previously used on lockers, window shutters, and elevator gates

that appellants arrived at a new solution to a new problem. The functions of these devices were radically altered and even in part inverted by application of their functional use in a different field from the fields each had been designed to function in and within which each had functioned. Even if the trial court's assertion that each of the elements cited was already long-known in the art of "gate-making" is correct, here they are put to new functions in a nonobvious manner.

It is therefore apparent that the Court of Appeals followed this Court's holding in Sakraida v. Ag Pro, Inc., supra, 425 U.S. at 282, which recognized that a new or different function of parts is the hallmark of nonobviousness.

Nor was the Appellate Court unmindful of the fact that this was a "combination patent". It recognized (Appendix, All):

The starting point for a court's judgment on the obviousness of a combination patent is to examine the functions of the components in their prior context alongside the functions they perform in their new combination. Sakraida v. Ag Pro Inc., 425 U.S. 273,

281 (1976), citing Great A & P Tea Co. v. Supermarket Corp., 340 U.S. 147, 152 (1950). A change of function for a well known element of a combination patent is a benchmark of nonobviousness. Id.; B.G. Corp. v. Walter Kidde & Co., 79 F.2d 20, 22 (2d Cir. 1935). [Emphasis Added.]

Finally, the Second Circuit quite properly considered the long-felt need, attempt and failure of others to satisfy the need, and outstanding commercial success as evidence that the combination was not an obvious one. These considerations have, of course, been recognized by this Court as "indicia of obviousness or nonobviousness", Graham v. John Deere Co., supra, 383 U.S. at 17, and serve the purpose of preventing the impermissible use of "hindsight" in determining whether or not an invention was or was not obvious. Id. at 36. Here, too, the Court of Appeals followed the principles enunciated by this Court

in determining the question of obviousness.

In evaluating these secondary considerations, the Appeals Court noted that the need for respondents' invention was "pronounced and long standing"; that petitioners, upon viewing respondents' invention, dropped their own efforts to come up with a satisfactory window gate; and that window gates embodying respondents' invention met with immediate commercial success. (Appendix, A14-A15).

Finally, there is no merit whatsoever in petitioners' baseless assertion that the Court of Appeals cared more about the parties' personalities than it did about the merits of the case. Personalities aside, the invention of respondents' patent was a nonobviousness advance over what went before. The Court of Appeals applied well recognized prin-

ciples of patent law in reaching this conclusion, and there is nothing in the present case which would require reversal or even review by this Court.

CONCLUSION

For the foregoing reasons, it is respectfully submitted that the Petition For A Writ Of Certiorari should be denied.

Respectfully submitted,

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